



2011

**Report to the
Governor
and Legislature
on the
Implementation
of the Sustainable
Forest Resources
Act**



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Minnesota Forest Resources Council 2011 Report

**to the Governor and Legislature on the Implementation
of the Sustainable Forest Resources Act**

Respectfully submitted by the Minnesota Forest Resources Council

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MFRC Membership

The Governor appoints a chair and 15 members to the Minnesota Forest Resources Council (MFRC) and the Minnesota Indian Affairs Council appoints one member. The 17-member Council includes representatives from the following interests:

- Commercial logging contractors
- Conservation organizations
- County land departments
- Environmental organizations (2)
- Forest products industry
- Game species management organizations
- Labor organizations
- Minnesota Department of Natural Resources
- Minnesota Indian Affairs Council
- Nonindustrial private forest landowners (2)
- Research and higher education
- Resort and tourism industry
- Secondary wood products manufacturers
- USDA Forest Service



This report fulfills requirements of Minnesota Statute 89A.03 Subd. 6., in which:

The council must report to the governor and to the legislative committees and divisions with jurisdiction over environment and natural resource policy and finance by February 1 of each year. The report must describe the progress and accomplishments made by the council during the preceding year.

The Sustainable Forest Resources Act (M.S. § 89A)

In 1995, the Sustainable Forest Resource Act (SFRA) created a policy framework for sustainable forestry to:

- Sustainably manage, use, and protect the state's forest resources to achieve the state's economic, environmental, and social goals.
- Encourage cooperation and collaboration between public and private sectors in managing the state's forest resources.
- Recognize and consider forest resource issues, concerns, and impacts at appropriate geographic scales.
- Recognize all perspectives regarding the management, use, and protection of the state's forest resources; establish processes and mechanisms that seek these perspectives; and incorporate them into planning and management.

Estimated cost to prepare this report (M.S. § 3.197): \$1,588 (staff time and printing). This report was printed in limited quantities. The electronic version is available on the Minnesota Forest Resources Council website at www.frc.mn.gov/documents/council/MFRC_2011_Report.pdf.

This report can be made available in other formats upon request.

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An Overview of MFRC Accomplishments in 2011

It's nice to be back. After leaving the Minnesota Forest Resources Council (MFRC) in 2007 as the result of a job change, it was my pleasure to return to the Council in 2011, this time as Chair.

Much has changed, but the Council remains a group of people with diverse opinions dedicated to maintaining and improving the health and productivity of Minnesota's forests. I hope you take time to read about our accomplishments during the past year in the pages that follow.

- Robert A. Stine



The MFRC:

Completed a strategic process, using input from regional committees, to identify the top policy issues that the MFRC will address from 2012 — 2014. The top issues are: (1) forest health, quality and productivity; (2) health of the forest products industry; and (3) water quality and forests.

Continues to promote the policy options identified in its 2010 Forest Retention study to maintain large blocks of contiguous forestland and the benefits that they provide (e.g., clean water, jobs and recreational opportunities).

Site-level committee evaluated and recommended forest management guideline revisions to the MFRC; final revisions are anticipated in 2012. The revised guidelines will be used by loggers, forest landowners and forest managers across Minnesota.

Supported the redesign of the delivery of conservation services to private woodland owners through the integration of landscape-based approaches to improve the efficiency and delivery of stewardship assistance on private lands.

Continued development of collaborative projects to implement landscape plans across the state. Over the past five years, the Council has helped landscape committee partners obtain over \$15 million in federal, private and non-General Fund state grants to support their work.

Secured \$165,000 in grants from the USDA Forest Service for the development of model landscape stewardship plans in the southeast region (Root River watershed) and in east central Minnesota and western Wisconsin (St Croix River basin).

Supported increased funding for forestry practices through the federal Environmental Quality Incentives Program. MFRC staff served on the Natural Resources Conservation Service forestry committee that will direct up to \$1 million for forestry practices in 2012 - 2013. These funds have been prioritized towards eight landscape stewardship pilot project areas.

Initiated the Northeast Landscape Plan update process to incorporate economic and social goals and strategies as well as to refine the existing ecological policy framework.

University of Minnesota researchers completed an MFRC-funded, legislatively mandated study on ecological impacts of woody biomass harvesting. Initial funding was used to obtain a \$2.7 million federal grant to expand this research to other sites in the Lakes States (\$2.0 million will be spent in Minnesota).

With the help of a prestigious advisory panel and public input, the MFRC's Research Advisory Committee conducted an assessment of the current status of forest resources research in the state and an identification of important forest research needs.

State of the Forest: 2011 News

Our annual report this year includes a "state of the forest" section (pages 8 and 9), that briefly summarizes key news stories related to Minnesota's forests.

Forest Policy

The MFRC is a forum where forest stakeholders discuss and resolve issues regarding the management of Minnesota's forests. We have helped depoliticize forestry issues in Minnesota by facilitating collaboration and fostering the use of scientific information. We advise the Governor, legislature and public agencies on sustainable forest policies.

Accomplishments

Private Forestland Retention

The MFRC continues to promote the many policy options identified in its [2010 Forest Retention study](#) to maintain large blocks of contiguous forestland and the benefits that they provide (e.g., clean water, jobs, habitat and recreational opportunities). We continue to work with private businesses, state and local units of government and non-profit organizations to adopt and assist in implementing effective tools to maintain the forestland base. For example, the MFRC conducted extensive research regarding the property tax treatment of lands with conservation easements both in Minnesota and across the country to promote a more consistent and transparent approach to this issue.

Forest Health

The MFRC spent considerable time addressing aspects of forest health, convening agency experts and administrators to determine where the MFRC can add value on this wide ranging topic. The MFRC helps to ensure we are using scarce public and private resources in a strategic manner by encouraging coordinated, science-based policy responses that promote collaboration among public agencies, forest landowners and other stakeholders. As a foundation, we assessed roles and responsibilities of various agencies, agency priorities and risk assessment methodologies as well as current levels of funding and infrastructure.

2012-2014 Policy Focus

MFRC Priorities

The MFRC completed a strategic process, using input from regional landscape committees, to identify the top policy issues that the MFRC will address from 2012 – 2014. The top issues are:

- (1) forest health, quality and productivity;
- (2) health of the forest products industry; and
- (3) water quality and forests.

Within the context of these issues, the MFRC will refine its focus to address specific topics like invasive species policy and management, promotion of forest products jobs and awareness of the connections between forested landscapes and water quality. The MFRC will also address private forestland retention, public forest management structures and other emerging topics as well as consider changing societal views about forest resources.

Voluntary Site-level Forest Management Guidelines

The MFRC provides up-to-date, science-based voluntary forest management guidelines to help loggers, foresters and landowners sustain and conserve our forest resources and protect wildlife habitat, soils, water quality, wetlands, aesthetics and historic and cultural resources. In 2011, the MFRC Site-level Committee evaluated and recommended forest management guideline revisions to the MFRC; final revisions are anticipated in 2012.

Accomplishments

Guideline Development and Revision

Forest management guidelines are periodically reviewed and revised in response to changing technology, values, threats and new research. The MFRC Site-level Committee completed an evaluation of potential changes to the forest management guidelines in 2011. After comprehensive assessment of monitoring data, existing research and practitioner input, recommendations were developed for topics ranging from riparian areas to invasive species. The full Council will be evaluating the recommendations in early 2012, followed by a period of peer and public review and economic analysis before final adoption of any suggested changes. The revised guidelines will be used by loggers, forest landowners and forest managers across Minnesota.

Guideline Training and Outreach

Staff collaborated with the Minnesota Logger Education Program, the University of Minnesota (Extension and Department of Forest Resources) and the Department of Natural Resources to develop an internet-based training program (<http://www.mlep.org/trainingonlinemain.htm>) for the voluntary forest management guidelines. This training provides a broad introductory overview of the guidelines and is required to be completed before bidding on state timber sales. Staff developed and reviewed training curricula, reviewed and commented on content delivery and assisted with development of the learning strategy assessment. Funds to support program development were also provided by the Council.

Monitoring Guideline Implementation

The Department of Natural Resources monitored harvest sites across the state in 2011 to assess levels of voluntary forest management guideline implementation. Information from this assessment is intended to be used for identification of areas in need of improved implementation efforts. Staff worked with DNR to complete the monitoring by assisting with:

- modification of site-selection protocols and contacting harvest-site owners;
- modification of measurement protocols to improve efficiency of data collection; and
- training of field contractors for quality assurance.

Analysis and evaluation of field data are ongoing, and the final report on guideline implementation is scheduled for completion by February 2012.

Landscape-level Forest Resource Management

The MFRC Landscape Program supports regional and local level forums where partners collaborate to bring about desired future conditions in each of six major forested regions. Over the past five years, the Council has helped landscape committee partners obtain over \$15 million in federal, private and non-General Fund state grants to support their work.

Accomplishments

With MFRC assistance, local partners are shaping future forests by coordinating their efforts at sustaining forested landscapes and the benefits they provide, recognizing both the importance of forest biodiversity and the forest-based economy and communities.

On-the-Ground Collaboratives

The Landscape Program initiated two landscape stewardship projects (St. Croix River and Root River) to support community-based forestry projects. The six MFRC Landscape Committees now have over 20 multi-owner collaborative projects in progress.

Funding Development

- Secured two grants in 2011 from the US Forest Service (\$165,000 federal plus \$165,000 state and local match) for private forest management.
- Over the past two years, raised over \$1 million to support innovative approaches to serving private woodland owners at a time when funding for the DNR's Private Forest Management Program has been reduced by 75 percent.
- Developed regional priorities to support the implementation of the state Forest Action Plan.

Northeast Landscape Plan Update

The MFRC initiated the process to update the Northeast landscape plan. The plan update will incorporate economic and social goals and strategies as well as refine the existing ecological policy framework. The MFRC has partnered with the Boreal Forest and Community Resilience Project, funded by the University of Minnesota Institute on the Environment, to incorporate new research and planning processes into the development of this plan.

Promoting Resilient Forests

With federal and state partners, the MFRC is facilitating discussions about climate change impacts on forests and information needs to promote resilient, sustainable forests. The Northern Minnesota Climate Change Response Framework (CCRF) is a collaborative effort to identify cost effective strategies to address climate change adaptation. In response to direction from the forestry community in Minnesota, the Landscape Program will coordinate implementation of the CCRF.



The Landscape Program organizes and facilitates collaboration among landowners, managers and citizens in six forested landscapes.

Research

The MFRC conducts and supports key research to improve forest management and the sustainable use of forest resources. In 2011, the MFRC continued to collaborate on research projects and proposals assessing guideline effectiveness and other topics related to sustainable forestry.

Accomplishments

Forest Economic Analysis

The MFRC commissioned the [Northern Minnesota Forestry Analysis](#) to measure the importance of the forest products and tourism sectors. This analysis, conducted by region, examined the current position of these sectors in northern Minnesota. The study found that although most of the forest products sectors declined over the past ten years, they continue to be the most important economic drivers in northern Minnesota. The hospitality sectors have remained relatively stable over the last decade.

Ecological Impacts of Woody Biomass Harvesting

The MFRC-funded portion of a study assessing the impacts of different levels of biomass removal on animal and fungi communities, forest regeneration and productivity, nutrient availability and carbon storage was completed this year. Initial MFRC funding was used to obtain a \$2.7 million grant from the federal government to expand this research to other sites in Minnesota as well as to other Lake States.

MFRC staff conducted a spatial analysis of stand and soils data to identify sites for a new LCCMR-funded research project led by University of Minnesota (UMN) researchers to assess impacts of biomass harvesting on nutrient-poor jack pine sites and submitted a proposal to the Institute of Renewable Energy and the Environment to develop more specific recommendations for biomass harvesting guidelines.

Emerald Ash Borer

Staff initiated a 5-year project funded by the LCCMR to assess the ecological and hydrologic impacts of emerald ash borer in black ash wetlands and develop recommendations for management. The project is being conducted by researchers from the UMN Department of Forest Resources, Council staff and the USDA Forest Service. In 2011, pre-treatment sampling of vegetation, groundwater levels and soils was conducted.

Interagency Information Cooperative

The Interagency Information Cooperative assisted with (1) analyses describing the black ash, jack pine, balsam fir and aspen age classes in Minnesota; (2) analyses for a multicounty assessment of forestland parcelization; and (3) modeling and analysis for county and regional biomass supply assessments.

Research Assessment and Needs

With the help of a prestigious advisory panel and public input, the MFRC's Research Advisory Committee assessed the current status of forest resources research in the state and identified important forest research needs. The MFRC's new publication, [Minnesota's Forest Resources Research: Assessment and Needs](#), is intended to inform decision-makers and encourage investment in priority research needs. The top research needs identified were: (1) forest health threats; (2) implications/mitigation of climate change; (3) forest parcelization, fragmentation and development; (4) changes/losses in biodiversity; and (5) woody biomass harvesting/energy.

Minnesota Forests: 2011 News

Winter Weather Hinders Harvest

Unfavorable weather added to the pressure of a slow housing market that was already dogging Minnesota loggers. Abundant rain during the growing season and early snow that prevented the ground from freezing kept loggers from harvesting many winter-only sites during what is typically their most productive time of year. Despite a good freeze in February that allowed loggers onto most sites, wood supply to mills was reduced. In the absence of additional inventory, declining wood supplies can result in expensive production delays or shutdowns. On a positive note, conditions for logging in summer and fall 2011 were excellent.

100 Years of State Forest Stewardship in Minnesota

June 22, 2011 was the 100-year anniversary of Minnesota DNR's Division of Forestry. The Minnesota Forest Service, the precursor to the Division of Forestry, initially focused primarily on enforcing burning regulations and conducting fire patrols. Creation of the Minnesota Forest service was spurred by a series of severe fires in the late 1800s and early 1900s, culminating in the 1910 Baudette-Spooner fire that killed 42 people and burned 300,000 acres, and a growing desire for protection against wildfire and the need to conserve Minnesota's forests.

One hundred years later, the Division of Forestry is still protecting lives and property from wildfire while conserving the state's forests and addressing new challenges posed by invasive species, forest fragmentation, and climate change. More information on the history of the Division is available on the DNR website¹.



July Storms

On July 1 and July 19, windstorms severely damaged 185,000 acres of forest (97,150 acres in St. Croix State Park and Chengwatana, Nemadji, and St. Croix state forests) in Pine County. Removing downed trees will be essential for keeping insect populations in check, allowing regrowth, and reducing the threat of wildfire.

Restoration activities likely will continue through 2019. In a concerted effort to hasten recovery, DNR foresters appraised about \$5 million worth of damaged timber on state lands. More than 180,000 cords of salvage timber have been sold and another 45,000 likely will be sold in 2012. Salvage logging will allow many acres to regenerate naturally and 2,000 to 3,000 acres of high-quality oak and red pine will likely be replanted.

More information on the July storms is available in the DNR² and NOAA³ websites.

¹ <http://www.dnr.state.mn.us/forestry/anniversary/index.html>

² <http://www.dnr.state.mn.us/forestry/blowdown2011/index.html>

³ http://www.crh.noaa.gov/dlh/?n=1jul2011_winddamage

Forest Industry

According to a recent analysis of Minnesota's forest industry⁴, the state's forest products manufacturing and related sectors directly contribute nearly \$10 billion industry output (plus \$3 billion value added) to the Minnesota economy, employing over 40,000 people (nearly \$2 billion in payroll). When indirect and induced economic effects are considered, Minnesota's forestry-related sectors have a total economic impact of \$17 billion industry output, \$7 billion value added, and 86,775 jobs.

In a Minnesota Supreme Court review of an earlier District court decision, loggers were permitted to haul already cut products from harvest sites, but not continue harvesting, during the July government shutdown. The agreement came at about the same time as the three-week shutdown ended and impacts to loggers and the forest product manufacturers from the shutdown were limited.

In November, Sappi Limited confirmed that they will invest \$170 million in their Cloquet mill. The mill will soon be able to produce chemical cellulose for use in textiles and consumer goods in addition to coated paper.

While housing starts in 2011 were up over 2010, the new housing market is still weak and the price of lumber and structural panels continues to decline.

Pagami Creek Wildfire



Photo courtesy of USDA Forest Service—Superior National Forest.

An August lightning strike in the Boundary Waters Canoe Area Wilderness east of Ely started the Pagami Creek Fire. Like hundreds of other lightning fires, it produced barely enough smoke to indicate its existence as it smoldered in a bog for several days. Then a series of unusual conditions allowed it to grow to historic proportions.

On August 26, humidity dropped precipitously and a strong north wind pushed flames into the tree tops. Although firefighting efforts were intense, it was the driest fall in 140 years and the fire consumed nearly 93,000 acres by mid-September. By mid-November, the fire was 93 percent contained and the largest forest fire in Minnesota since the 1918 Cloquet fire. Portions of the BWCAW inside the fire perimeter remain closed to the public for safety reasons.

Resource specialists are now focused on protecting water quality, providing recreational opportunities, and re-establishing wildlife habitat. Visitors will witness a rapidly changing, rejuvenating forest in this fire dependent landscape. Ground plants such as fireweed will give way to shrubs including raspberry and blueberry and then to paper birch trees, pin cherry, jack pine, aspen and red pine. Some species of birds (e.g., black-backed woodpeckers) that are rarely seen outside of burned areas will increase. The fire and resulting forest regeneration could also benefit the state's troubled moose population, boosting food availability and the variety of available habitat.

For more information on the Pagami Creek Wildfire, visit the Superior National Forest⁵ website.

⁴ Deckard, D. L. and J. L. Skurla. 2011. [Economic Contribution of Minnesota's Forest Products Industry—2011 edition](#). Minnesota Department of Natural Resources—Division of Forestry. St. Paul, Minnesota.

⁵ <http://www.fs.usda.gov/detail/superior/home/?cid=stelprdb5341928>

Participating in Sustainable Forestry

MFRC programs rely on individuals interested in forest resources in Minnesota. Their participation assures that a “broad array of perspectives regarding the management, use and protection of the state’s forest resources” (M.S. § 89A.02) guide forest resource planning and management.

MFRC Activities

There are many ways for interested individuals to become involved:

- Attend MFRC meetings. A schedule of meetings is posted on the MFRC website: www.frc.mn.gov. In 2012, MFRC meetings will be held on January 25, March 21, May 16, July 25, September 19 and November 14.
- Participate in regional landscape committees and projects. Contact Lindberg Ekola, our Landscape Program Manager, at ekola.mfrc@charter.net or 320-256-8300.
- Use the timber harvesting/forest management guidelines. Guidelines are available on our website.
- Use the Public Concerns Registration Process to notify the MFRC of specific timber harvests or other forest management practices that concern you.
- Attend forest resources educational programs provided by the Sustainable Forests Education Cooperative⁶ or the Minnesota Logger Education Program⁷.

The Public Concerns Registration Process

The Public Concerns Registration Process (PCRP) allows citizens to inform landowners, foresters and loggers of specific concerns regarding timber harvesting and forest management practices they see in Minnesota, and learn more about forest management.

PCRP encourages sustainable management of Minnesota’s forests through education. It is not a regulatory or dispute resolution program. Instead, landowners, loggers and foresters become more aware of public concerns regarding forest management and citizens learn about guidelines for sustainable forest management.

Concerns registered with the Public Concerns Registration Process are confidential. To register a concern, call 1-888-234-3702 or submit one online at www.frc.mn.gov

⁶ <http://sfec.cfans.umn.edu/>

⁷ <http://www.mlep.org/>

MFRC 2011 Publications

Reports are available online: www.frc.mn.gov

Berger, A., and A.W. D'Amato. 2011. *Impacts of woody biomass harvesting on saproxylic communities, nutrient availability, and productivity in aspen ecosystems*. Final project report to Minnesota Forest Resources Council. St. Paul, MN.

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Thank You

MFRC programs are voluntary. Thank you to all the organizations and individuals who continue to help, support, and participate in the programs of the Sustainable Forest Resources Act and the Minnesota Forest Resources Council:

Associated Contract Loggers; Audubon Minnesota; Blandin Foundation; Citizens of Minnesota who participate in SFRA and MFRC programs; Cloquet Forestry Center; Dovetail Partners Inc.; Freshwater Society; Friends of the Boundary Waters Wilderness; Great River Greening; Institute for Agriculture and Trade Policy — Community Forestry Resource Center; Interagency Information Cooperative; Minnesota Association of County Land Commissioners; Minnesota Board of Water and Soil Resources; Minnesota Center for Environmental Advocacy; Minnesota Deer Hunters Association; Minnesota Department of Natural Resources; Minnesota Forest Industries; Minnesota Forest Resources Partnership; Minnesota Forestry Association; Minnesota Indian Affairs Council; Minnesota Land Trust; Minnesota Logger Education Program; Minnesota Pollution Control Agency; Minnesota Power; Minnesota Resort and Campground Association; Minnesota Ruffed Grouse Society; Minnesota Timber Producers Association; National Council for Air and Stream Improvement; North Shore Forest Collaborative; Northern Institute of Applied Climate Science; Sierra Club — North Star Chapter; The Conservation Fund; The Nature Conservancy; The Trust for Public Land; USDA Forest Service — Chippewa National Forest, Superior National Forest, Northern Research Station and State and Private Forestry; USDA Natural Resources Conservation Service; USDI Fish and Wildlife Service; University of Minnesota CFANS Department of Forest Resources and Sustainable Forests Education Cooperative; University of Minnesota Duluth — Natural Resources Research Institute; University of Minnesota Extension and Institute on the Environment; Wood Fiber Employees Joint Legislative Council



The Minnesota Forest Resources Council was established by the Sustainable Forest Resources Act (SFRA) of 1995 to promote sustainable management of Minnesota's forests.

To find out more about the council, visit our web site:

www.frc.mn.gov or call

651-603-0109